

ALLEN COMMUNITY
PARK FUND

AUDIT REPORT

JUNE 30, 2004 AND 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name ALLEN COMMUNITY PARK FUND	County HILLSDALE
Fiscal Year End 6-30-04 AND 6-30-05	Opinion Date 5-21-08	Date Audit Report Submitted to State 5-28-08	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

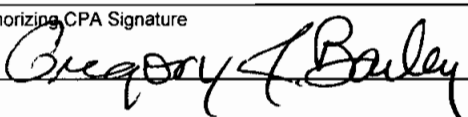
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	NO COMMENTS MADE	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) BAILEY, HODSHIRE & COMPANY, PC		Telephone Number (517) 849-2410	
Street Address 479 E CHICAGO ST PO BOX 215		City JONESVILLE	State MI
Zip 49250			
Authorizing CPA Signature 	Printed Name GREGORY J BAILEY	License Number 1101022915	

Bailey, Hodshire
& Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

479 E. CHICAGO STREET
P.O. BOX 215
JONESVILLE, MI 49250

PHONE: (517) 849-2410
FAX: (517) 849-2493
E-MAIL: BAILEYHODSHIRE@SBCGLOBAL.NET

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Allen Community Park Fund
Allen, Michigan

We have audited the accompanying financial statements of the Allen Community Park Fund as of and for the years ended June 30, 2004 and June 30, 2005, which collectively comprise the Park Fund's basic financial statements. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements do not present government-wide financial statements to report the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Park Fund's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Allen Community Park Fund as of June 30, 2004, and June 30, 2005, or the changes in its financial position for the years then ended.

The budgetary comparison schedules are not a required part of the basic financial statements, but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

Bailey, Hodshire & Company, P.C.
Jonesville, Michigan
May 21, 2008

BASIC FINANCIAL STATEMENTS

ALLEN COMMUNITY PARK FUND
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2004 AND JUNE 30, 2005

ASSETS			
		<u>2004</u>	<u>2005</u>
Cash in Bank - Checking		\$ 5,773	\$10,890
Accounts Receivable		<u>0</u>	<u>0</u>
Total Assets		<u>\$ 5,773</u>	<u>\$10,890</u>
LIABILITIES & FUND BALANCE			
Liabilities			
Accounts Payable		\$ 0	\$ 0
Fund Balance			
Unreserved		<u>5,773</u>	<u>10,890</u>
Total Liabilities and Fund Balance		<u>\$ 5,773</u>	<u>\$10,890</u>

The accompanying notes are an integral part of this statement.

ALLEN COMMUNITY PARK FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2005

	<u>2004</u>	<u>2005</u>
REVENUE		
Contributions:		
Village of Allen	\$ 1,500	\$ 1,500
Township of Allen	1,500	1,500
Private	643	5,085
Interest	<u>21</u>	<u>26</u>
Total Revenue	<u>\$ 3,664</u>	<u>\$ 8,111</u>
EXPENDITURES		
Mowing	\$ 1,495	\$ 1,371
Trash Removal	471	486
Operating Supplies	12	12
Repairs & Maintenance	199	475
Professional Fees	31	650
Equipment	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,208</u>	<u>\$ 2,994</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$1,456	\$ 5,117
FUND BALANCE - Beginning	<u>4,317</u>	<u>5,773</u>
FUND BALANCE - Ending	<u><u>\$ 5,773</u></u>	<u><u>\$10,890</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ALLEN COMMUNITY PARK FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Community Park Fund was created by an agreement in August, 1988, between the Village of Allen and Allen Township for the purpose of developing, operating, and maintaining a park or recreational facility within the municipal boundaries of each entity. The activities of the joint undertaking are governed by a Park and Recreation Board. The Board, consisting of 8 members (4 from each municipal entity), governs the activities of the reporting entity. Reference should be made to the recreational facilities agreement for further details.

The following is a summary of significant accounting policies used by the Allen Community Park Fund:

Financial Statement Presentation

The accounts of the Park Fund are organized into a single fund, which is considered a separate accounting entity with a set of self-balancing accounts. This single special revenue fund was set up in accordance with the designation of the Public Fund Depository Act and is used to account for the revenue and expenditures relating to the operation and maintenance of the Park. The fund is to receive its financial support equally from the Village of Allen and Allen Township.

Basis of Accounting

The fund utilizes the modified accrual basis of accounting. On this basis, revenue is generally recorded in the period in which it is received in cash, except for material items of revenue which should be accrued to reflect revenue earned, and expenditures are generally recorded at the time the liability is incurred.

Budgetary Data

The Recreation Facilities Agreement requires that an annual budget be developed for acceptance and approval by each participating governmental unit. There were budgets adopted for both the 2003-04 and 2004-05 years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounting Change

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). In June, 1999, the GASB approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*. The Park Fund has implemented some of the requirements of GASB 34. The Park Fund did not present government-wide financial statements to report the financial position and changes in financial position using full accrual accounting for all the Park Fund's activities. In addition, the Park Fund did not include Management's Discussion & Analysis, which would have presented an analysis of the financial performance for the year.

Because of these omissions, the Park Fund's financial statement do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Allen Community Park Fund as of June 30, 2004 and 2005, or the changes in its financial position for the years then ended.

ALLEN COMMUNITY PARK FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2004 AND JUNE 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes authorize the Park Fund to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. As of June 30, 2004 and 2005, the Park Fund's deposits are in accordance with statutory authority.

Following are the components of the Park Fund's bank deposits at June 30, 2005:

Demand Accounts	\$ 4,317
-----------------	----------

The carrying amount was \$4,317 and the bank balance of the Township's bank deposits was \$4,317 at June 30, 2005. The entire bank balance was covered by federal depository insurance.

NOTE 3 - RISK MANAGEMENT

The Park Fund is exposed to various risks of loss related to property loss, torts, and errors/omissions. The two participating townships have purchased commercial insurance for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, buildings and contents), and other appropriate coverages.

NOTE 4 - COMMITMENTS

During the 2004-05 fiscal year, the Park Board authorized the purchase of a new gazebo to be placed in the park. The gazebo was completed and paid for in July, 2005 at a cost of \$5,192.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN COMMUNITY PARK FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2004

	<u>Budget Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUE				
Contributions:				
Village of Allen	\$ 1,500	\$ 1,500	\$ 1,500	\$ 0
Township of Allen	1,500	1,500	1,500	0
Private	40	40	643	603
Interest	<u>20</u>	<u>20</u>	<u>21</u>	<u>1</u>
Total Revenue	<u>\$ 3,060</u>	<u>\$ 3,060</u>	<u>\$ 3,664</u>	<u>\$ 604</u>
EXPENDITURES				
Mowing	\$ 1,500	\$ 1,500	\$ 1,495	\$ (5)
Trash Removal	480	480	471	(9)
Operating Supplies	12	12	12	0
Repairs & Maintenance	650	650	199	(451)
Professional Fees	600	600	31	(569)
Equipment	<u>425</u>	<u>425</u>	<u>0</u>	<u>(425)</u>
Total Expenditures	<u>\$ 3,667</u>	<u>\$ 3,667</u>	<u>\$ 2,208</u>	<u>\$(1,459)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ (607)	\$ (607)	\$ 1,456	\$ 2,063
FUND BALANCE - Beginning	<u>4,317</u>	<u>4,317</u>	<u>4,317</u>	<u>0</u>
FUND BALANCE - Ending	<u>\$ 3,710</u>	<u>\$ 3,710</u>	<u>\$ 5,773</u>	<u>\$ 2,063</u>

The accompanying notes are an integral part of this statement.

ALLEN COMMUNITY PARK FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2005

	<u>Budget Amounts</u>			Actual Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUE				
Contributions:				
Village of Allen	\$ 1,500	\$ 1,500	\$ 1,500	\$ 0
Township of Allen	1,500	1,500	1,500	0
Private	50	50	5,085	5,035
Interest	<u>15</u>	<u>15</u>	<u>26</u>	<u>11</u>
Total Revenue	<u>\$ 3,065</u>	<u>\$ 3,065</u>	<u>\$ 8,111</u>	<u>\$ 5,046</u>
EXPENDITURES				
Mowing	\$ 1,500	\$ 1,500	\$ 1,371	\$ (129)
Trash Removal	480	480	486	6
Operating Supplies	12	12	12	0
Repairs & Maintenance	500	500	475	(25)
Professional Fees	650	650	650	0
Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 3,142</u>	<u>\$ 3,142</u>	<u>\$ 2,994</u>	<u>\$ (148)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ (77)	\$ (77)	\$ 5,117	\$ 5,194
FUND BALANCE - Beginning	<u>5,773</u>	<u>5,773</u>	<u>5,773</u>	<u>0</u>
FUND BALANCE - Ending	<u>\$ 5,696</u>	<u>\$ 5,696</u>	<u>\$10,890</u>	<u>\$ 5,194</u>

The accompanying notes are an integral part of this statement.